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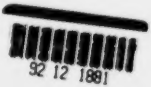

SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 10Q

Quarterly Report Under Section 13 or 15 (d)
of the Securities Exchange Act of 1934

For the Quarter Ended February 29, 1992
Commission File Number 0-5109

BEST COPY
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MICROPAC INDUSTRIES, INC.

Delaware (State of Incorporation)	75-1225149 (IRS Employer Identification No.)
905 E. Walnut, Garland, Texas (Address of Principal Executive Office)	75040 (Zip Code)
Registrant's Telephone Number, including Area Code	(214) 272-3571

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Capital Stock	3,627,151 Shares
Less Treasury Stock	None

Outstanding at February 29, 1992

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

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MICROPAC INDUSTRIES, INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

	2.29.92	3.02.91
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 39,352	$ 80,910
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	49,223	52,759
Changes in current assets and current liabilities		
Receivables	33,026	559,301
Inventories	(146,989)	55,384
Prepaid expenses and other current assets	5,884	11,535
Prepaid federal income taxes	--	(68,374)
Accounts payable	(65,410)	(94,604)
Accrued payroll	19,906	7,959
Federal income taxes payable	25,312	--
Accrued liabilities	7,189	(87,449)
Net cash provided by (used in) operating activities	(32,507)	517,421
Cash flows from investing activities:		
Capital expenditures	(4,846)	(60,425)
Net cash used in investing activities	(4,846)	(60,425)
Cash flows from financing activities:		
Long-term debt repayment	(150,001)	(50,001)
Notes payable proceeds (borrowing)	100,000	(400,000)
Net cash used in financing activities	(50,001)	(450,001)
Net increase (decrease) in cash	(87,354)	6,995
Cash at beginning of period	214,706	121,167
Cash at end of period	$ 127,352	$ 128,162

See accompanying notes to financial statements.

These statements reflect all adjustments which, in the opinion of managment, are necessary for fair statement of the results for the interim period.

MICROPAC INDUSTRIES, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
(Unaudited)

1. CONDENSED FINANCIAL STATEMENTS

The condensed balance sheets as of February 29, 1992, and November 30, 1991, the condensed statements of operations for the three months ended February 29, 1992 and March 2, 1991, and the condensed statements of cash flows for the three months then ended have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operation and changes in cash flows as of February 29, 1992, and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's annual report to shareholders or Form 10-K for the year ended November 30, 1991.

MICROPAC INDUSTRIES, INC.
BALANCE SHEETS
(Unaudited)

ASSETS

	2.29.92	11.30.91
CURRENT ASSETS:		
Cash	$ 127,352	$ 214,706
Receivables, net of allowance for doubtful accounts of approximately $158,000 in 1992 and $152,000 in 1991	1,647,341	1,680,367
Inventories:		
Raw materials and supplies	1,527,837	1,455,002
Work-in-process	1,985,949	1,011,795
Federal income taxes receivable	41,129	41,129
Deferred federal income taxes	27,225	27,225
Prepaid expenses and other current assets	73,384	79,268
Total current assets	4,530,217	4,509,492
PROPERTY, PLANT AND EQUIPMENT, at cost		
Land	80,000	80,000
Buildings	270,000	270,000
Machinery and equipment	3,467,159	3,463,909
Furniture and fixtures	205,700	204,104
Leasehold improvements	513,458	513,458
Accumulated depreciation	(3,615,953)	(3,566,730)
Net property, plant and equipment	920,364	964,741
TOTAL ASSETS	$ 5,450,581	$ 5,474,233

LIABILITIES & SHAREHOLDERS EQUITY

CURRENT LIABILITIES:		
Current portion of long-term debt	$ 200,000	$ 200,000
Notes payable to banks	500,000	400,000
Accounts payable	286,792	352,202
Accrued payroll	346,311	326,405
Accrued professional fees	126,370	119,088
Other accrued liabilities	98,960	99,053
Federal income taxes payable	25,312	--
Total current liabilities	1,583,745	1,496,748
LONG-TERM DEBT	231,711	381,712
DEFERRED FEDERAL INCOME TAXES	72,662	72,662
SHAREHOLDERS' EQUITY:		
Common Stock ($.10 par value) 10,000,000 shares authorized, 3,627,151 shares issued and outstanding	362,716	362,716
Paid-in capital	885,540	885,540
Retained earnings	2,314,207	2,274,855
Total shareholders' equity	3,562,463	3,523,111
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	$ 5,450,581	$ 5,474,233

See accompanying notes to financial statements.

These statements reflect all adjustments which, in the opinion of management, are necessary for fair statement of the results for the interim period.

MICROPAC INDUSTRIES, INC.
STATEMENTS OF OPERATIONS
(Unaudited)

	Statement of Operations As Of	
	2/29/92	3/02/91
Sales, Net of Returns & Allowances	$ 2,205,274	$ 2,556,160
Cost of Goods Sold	1,634,468	1,785,493
Gross Margin	570,806	770,667
Selling, General & Administrative Expenses	491,525	592,980
Interest Expense	14,617	49,259
Pre-Tax Income	64,664	128,428
Provision for Income Taxes	25,312	47,518
Net Income	$ 39,352	$ 80,910
Net Income per Share	$ 0.01	$ 0.02
Dividends per Share	$ -	$ -

See accompanying notes to financial statements.

These statements reflect all adjustments which, in the opinion of management, are necessary for fair statement of the results for the interim period.

MICROPAC INDUSTRIES, INC.
MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FIRST QUARTER 1992 VERSUS FIRST QUARTER 1991

1. Net sales for the first quarter totaled $2,205,274 compared to $2,556,160 for the same quarter in 1991. This decrease represents 13.7% of prior year first quarter net sales under the comparable periods. First quarter 1992 sales are comprised of 91.4% domestic sales and 8.6% foreign sales. Comparable figures for the first quarter 1991 are not available, although for the full year 1991, domestic sales comprised 87% of total sales while foreign sales were 13%. Military and commercial sales were 63% and 37% respectively for the first quarter of 1992 compared to 64% military and 36% commercial for the year ended November 30, 1991. Backlog decreased from approximately $4,235,000 in February 1991 to $3,666,000 in February 1992. In comparison backlog for year end 1991 was approximately $4,080,000. The decrease is attributed to additional cutbacks in military budgets and intensified competition for the remaining markets.

2. Cost of Goods Sold was $1,634,468 for the first quarter 1992 versus 1,785,493 for the same period in 1991 (a $151,025 decrease). This represents a 8.5% decrease in Cost of Goods Sold between the two periods compared to a 13.7% reduction in revenue. Cost of materials and overhead decreased $47,022 and $20,718 respectively during the first quarter. Materials and overhead should have decreased an additional $30,628 and $79,356 respectively to keep pace with the decreased revenues. Increased cost of raw materials from suppliers did not allow the material cost to reduce as rapidly as sales. Increased costs in employee health benefits and sales/marketing expenditures were the primary reasons that overhead decreased at a slower rate. Direct labor decreased from $339,939 to $277,043 or 18.5% in comparison for the same periods.

3. Selling, General and Administrative expenses totaled $491,525 for the first quarter 1992 versus $592,980 for the same period in 1991 representing a $101,455 decrease. The decrease in General and Administrative expenses from $417,269 to $367,445 is attributed largely to reductions in legal fees and travel expenses. Total selling expenses decreased from $175,711 to $124,080, (a $51,631 decrease). This reduction is due primarily to reduced outside sales commissions.

4. Interest expense for the first quarter 1992 totaled $14,617 versus $49,259 in 1991. This reduction was achieved through lowering both short-term and long-term bank debt in 1991 allowing less interest to be expensed in 1992. Total bank debt at the end of the first quarter 1992 was $931,711 compared to $1,516,664 for the same period 1991. February 1992 bank debt consists of $700,000 in short-term debt and $231,711 in long-term debt. The Company is in compliance with all bank covenants.

5. Pre-tax income for the first quarter 1992 was $64,664 compared to $128,428 in 1991. The decrease is mainly attributed to an increase in Cost of Goods Sold as a percentage of net sales from 69.9% through the first quarter 1991 to 74.1% for the same period in 1992. Decreasing sales combined with item #2 statements involving Cost of Goods Sold were the reason for the decrease in pre-tax income.

6. Total assets decreased approximately $24,000 from $5,474,233 fiscal year ended November 30, 1991 to $5,450,581 for the first quarter 1992. Increases in raw materials and work-in-process of approximately $147,000 were offset by decreases in cash, accounts receivable and property, plant and equipment of $87,000, $33,000 and $44,000 respectively. Total current liabilities increased by $87,000 and was offset by a decrease in long-term debt of approximately $150,000.

7. Shareholders' equity was $3,562,463 at first quarter 1992 compared to $3,523,111 for fiscal year ended November 30, 1991, representing a $39,352 increase in Stockholders' Equity for the first quarter 1992. Net earnings per share for the first quarter 1992 were $.01 compared to $.02 for the first quarter 1991.

ITEM 1. LEGAL PROCEEDINGS

The Company is not involved in any material current or pending legal proceedings, other than ordinary routine litigation incidental to its business.

ITEM 2. CHANGES IN SECURITIES

None

ITEM 3. DEFAULTS SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned duly authorized.

MICROPAC INDUSTRIES, INC.

4-7-92
Date

Nicholas Nadonsky
President/Chairman of the Board

4-9-92
Date

Dave Hendon
Controller